General Assembly

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Fifty-ninth session
Agenda item 83 (*a*)

Resolution adopted by the General Assembly

[*on the report of the Second Committee (A/59/481/Add.1)*]

59/221. International trade and development

The General Assembly,

Recalling its resolutions 56/178 of 21 December 2001, 57/235 of 20 December 2002 and 58/197 of 23 December 2003 on international trade and development,

Recalling also the provisions of the United Nations Millennium Declaration[1] pertaining to trade and related development issues, as well as the outcomes of the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002[2] and the World Summit on Sustainable Development, held in Johannesburg, South Africa, from 26 August to 4 September 2002,[3]

Noting the Ministerial Declaration and decisions adopted at the Fourth Ministerial Conference of the World Trade Organization, held in Doha from 9 to 14 November 2001,[4] and the full commitment of all members of the World Trade Organization to give effect to them, in accordance with the decision of 1 August 2004 of the General Council of the World Trade Organization,[5]

Reaffirming the role of the United Nations Conference on Trade and Development as focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development,

Recalling its resolutions 57/250 of 20 December 2002 and 57/270 B of 23 June 2003, in which it invited the United Nations Conference on Trade and Development, as well as the Trade and Development Board, to contribute, within its mandate, to the implementation and to the review of the progress made in the implementation of the outcomes of the major United Nations conferences and summits and invited the

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18–22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August–4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex, and resolution 2, annex.

[4] A/C.2/56/7, annex.

[5] World Trade Organization, document WT/L/579. Available from http://docsonline.wto.org.

President of the Trade and Development Board to present the outcomes of such reviews to the Economic and Social Council,

Recalling also that, to benefit fully from trade, which in many cases is the single most important external source of development financing, the establishment and the enhancement of appropriate institutions and policies in developing countries, as well as in countries with economies in transition, are needed and that, in this context, enhanced market access, balanced rules and well-targeted, sustainably financed technical assistance and capacity-building programmes for developing countries also play an important role,

Noting the significant contribution of the multilateral trading system to economic growth, development and employment and the importance of maintaining the process of reform and liberalization of trade policies, as well as the importance of rejecting the use of protectionism, so that the system plays its full part in promoting recovery, growth and development, in particular of developing countries, bearing in mind paragraph 10 of General Assembly resolution 55/182 of 20 December 2000,

Reaffirming that agriculture remains a key sector for the overwhelming majority of developing countries, and stressing the importance of the successful conclusion of the World Trade Organization Doha work programme[4] in accordance with the decision of 1 August 2004 of the General Council of the World Trade Organization,

Reaffirming also the urgency, subject to national legislation, of recognizing the rights of local and indigenous communities that are holders of traditional knowledge, innovations and practices and, with the approval and involvement of the holders of such knowledge, innovations and practices, of developing and implementing benefit-sharing mechanisms on mutually agreed terms for the use of such knowledge, innovations and practices,

Recalling that it is particularly important for developing countries, bearing in mind development goals and objectives, that all countries take into account the need for an appropriate balance between national policy space and international disciplines and commitments,

Bearing in mind the special needs of the least developed countries, the small island developing States and the landlocked developing countries, as identified, respectively, in the Brussels Programme of Action[5] and the Barbados Programme of Action[6] and within a new global framework for transit transport cooperation for landlocked and transit developing countries as set out in the Almaty Programme of Action,[8]

Noting with concern that a number of developing countries, in particular the least developed countries and commodity-dependent developing countries, have not fully benefited from the global economy and trade liberalization,

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[4] A/CONF.191/13, chap. II.

[5] *Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April–6 May 1994* (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex II.

[6] *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003* (A/CONF.202/3), annex I.

Recognizing that countries must take appropriate and necessary security measures, but also underlining the importance of taking these measures in the manner that is least disruptive of normal trade and related practices,

Taking note of the review undertaken by the Trade and Development Board at its fifty-first session[9] of developments and issues in the post-Doha work programme of particular concern to developing countries following the eleventh session of the United Nations Conference on Trade and Development, and its contribution to an understanding of the actions required to help developing countries integrate, in a beneficial and meaningful manner, into the multilateral trading system and the global economy and to achieve a balanced, development-oriented and successful conclusion of the Doha negotiations,

Taking note also of the report of the Trade and Development Board[10] and the report of the Secretary-General,[11]

1. *Recognizes* that a universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can substantially stimulate development worldwide, benefiting countries at all stages of development, thereby promoting economic growth and sustainable development necessary to achieve the internationally agreed development goals, including those contained in the United Nations Millennium Declaration;[1]

2. *Reaffirms* the value of multilateralism to the global trading system, and in this regard welcomes the progress achieved in the Doha work programme,[4] with the adoption by the General Council of the World Trade Organization of its decision of 1 August 2004[5] on frameworks for further negotiations, which re-energizes the Doha round of the multilateral trade negotiations and recommits the members of the World Trade Organization to fulfilling the development dimension of the Doha work programme;

3. *Welcomes* the eleventh session of the United Nations Conference on Trade and Development, held in São Paulo, Brazil, from 13 to 18 June 2004, and the adoption of The Spirit of São Paulo[12] and the São Paulo Consensus,[13] which, building upon the Plan of Action adopted at its tenth session, held in Bangkok from 12 to 19 February 2000,[14] reaffirm the continued commitment of the international community to supporting the United Nations Conference on Trade and Development in fulfilling its mandate in consensus-building, research and policy analysis, and in technical assistance on trade and development;

4. *Welcomes also* the commitment made at the Fourth Ministerial Conference of the World Trade Organization, held in Doha from 9 to 14 November 2001, and in the decision of 1 August 2004 of the General Council of the World Trade Organization, to place development at the heart of the Doha work programme and to continue to make positive efforts to ensure that developing countries, especially the least developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development;

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[9] *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 15* (A/59/15), part five, chap. II.C.

[10] Ibid., *Supplement No. 15*.

[11] A/59/305.

[12] TD/412, part I.

[13] Ibid., part II.

[14] TD/386.

5. *Reaffirms* that all countries have a shared interest in the success of the Doha work programme, which aims both at further increasing trading opportunities and reducing barriers to trade among nations and at making the trading system more development-friendly, which would contribute to the objective of upholding and safeguarding an open, equitable, rule-based, predictable and non-discriminatory multilateral trading system, and recalls that a major contribution of the Doha Ministerial Declaration[4] was to place the needs and interests of developing countries at the heart of the Doha work programme and that this important objective needs to be pursued with a view to bringing about concrete development-oriented outcomes from the multilateral trade negotiations;

6. *Looks forward* to the early development of the frameworks outlined in the decision of 1 August 2004 of the General Council of the World Trade Organization, in an inclusive and transparent manner, into concrete, detailed and specific modalities for the early and successful conclusion of the negotiations, while ensuring balance and parallel progress within and between areas under negotiation bearing in mind the needs and concerns of developing countries, and ensuring a fair and development-oriented outcome of the Doha work programme based on a broad agenda, including enhanced market access, balanced rules and well-targeted, sustainably financed technical assistance and capacity-building programmes;

7. *Recognizes*, in regard to the decision of 1 August 2004 of the General Council of the World Trade Organization and consistent with the Doha work programme, the following issues of particular interest and concern to developing countries:

(*a*) Reviewing special and differential treatment provisions with a view to making them more precise, effective and operational and, in this regard, expeditiously completing the review of the outstanding agreement-specific proposals and cross-cutting issues, and finding appropriate solutions to outstanding implementation issues, by July 2005, as provided for in paragraph 1 (*d*) of the decision;

(*b*) The elaboration of modalities under the framework on agriculture, as contained in annex A to the decision, for negotiations, in accordance with paragraph 13 of the Doha Ministerial Declaration, noting that reforms in all three pillars of market access, domestic support and export competition form an interconnected whole and must be approached in a balanced and equitable manner with operationally effective and meaningful special and differential treatment for developing countries, and recalling that agriculture is of critical importance to the economic development of developing country members of the World Trade Organization, particularly to the least developed countries and the net food-importing developing countries, and that they must be able to pursue agricultural policies that are supportive of their development goals, poverty reduction strategies and food security and livelihood concerns, and that non-trade concerns will be taken into account;

(*c*) Implementing concretely the commitment to address cotton issues ambitiously, expeditiously and specifically within the agriculture negotiations, as provided for in annex A to the decision;

(*d*) The elaboration of modalities on market access for non-agricultural products pursuant to annex B to the decision, with the aim of reducing or, as appropriate, eliminating tariffs, including the reduction or elimination of tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries, with a comprehensive product

coverage and without a priori exclusions, and recalling also the importance of special and differential treatment and less than full reciprocity in reduction commitments for developing countries as integral parts of the modalities;

(*e*) Negotiations on trade in services, as provided for in annex C to the decision, with a view to providing effective market access to all members of the World Trade Organization; in order to ensure a substantive outcome, members shall strive to ensure a high quality of offers by May 2005, particularly in sectors and modes of supply of export interest to developing countries, giving special attention to the least developed countries, and aiming to achieve progressively higher levels of liberalization with no a priori exclusion of any service sector or mode of supply; special attention shall be given to sectors and modes of supply of export interest to developing countries, noting the interest of developing countries, as well as other members, in mode 4;

(*f*) Enhancing trade-related technical assistance and capacity-building to increase the effective participation of developing countries in the negotiations, to facilitate their implementation of World Trade Organization rules and to enable them to adjust and diversify their economies;

(*g*) Advancing the negotiations aimed at clarifying and improving disciplines under the agreements in the areas of anti-dumping, subsidies and countervailing measures, while preserving the basic concepts, principles and effectiveness of those agreements, taking into account the needs of developing countries, in accordance with paragraph 1 (*f*) of the decision;

(*h*) Advancing negotiations under the review of the dispute settlement understanding, in accordance with paragraph 1 (*f*) of the decision;

(*i*) Negotiations on trade facilitation, the results of which should take fully into account the principle of special and differential treatment for developing and least developed countries, in accordance with annex D to the decision;

8. *Reaffirms* the importance of market access, and in this context recalls the importance of respect for World Trade Organization disciplines, including in the area of anti-dumping, inter alia, to avoid the abusive application of anti-dumping and other trade distorting measures;

9. *Reaffirms also* the importance of the full implementation of the Agreement on Textiles and Clothing of the World Trade Organization,[15] which provides for the complete phase-out of the quotas on textiles and clothing by 31 December 2004;

10. *Reaffirms further* the importance of the development dimension of the Agreement on Trade-related Aspects of Intellectual Property Rights;[15]

11. *Invites* all members of the World Trade Organization to effectively implement the decision adopted by the General Council of the World Trade Organization on 30 August 2003[16] on the implementation of paragraph 6 of the Doha Declaration on the Agreement on Trade-related Aspects of Intellectual Property Rights and Public Health[17] to address the problems faced by countries with

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[15] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

[16] World Trade Organization, document WT/L/540. Available from http://docsonline.wto.org.

[17] World Trade Organization, document WT/MIN(01)/DEC/2. Available from http://docsonline.wto.org.

insufficient or no manufacturing capacity in the pharmaceutical sector in accessing medicines at affordable prices when combating serious public health problems afflicting many developing and least developed countries, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics, and, as agreed by the World Trade Organization Council for Trade-related Aspects of Intellectual Property Rights on 16 June 2004, to expeditiously establish a permanent solution by amending the Agreement on Trade-related Aspects of Intellectual Property Rights on the basis of the recommendations by the Council to be presented by March 2005;

12. *Invites* the World Intellectual Property Organization to continue further its development activities and to continue to cooperate with relevant international organizations;

13. *Stresses* that the adoption or enforcement of any measures necessary to protect human, animal or plant life or health should not be applied in a manner that would constitute arbitrary or unjustified discrimination or a disguised restriction on international trade, while recognizing the rights of members of the World Trade Organization to determine their own appropriate level of sanitary and phyto-sanitary protection in accordance with World Trade Organization rules, and recognizes the need to facilitate the increased participation of the developing countries in the work of relevant international standard-setting organizations as well as the importance of providing financial and technical assistance and capacity-building efforts to enable them to respond adequately to the introduction of any new measures;

14. *Emphasizes* that issues related to trade, debt and finance and transfer of technology duly covered in the Doha work programme should be addressed as a high priority in accordance with the Doha work programme and the World Trade Organization General Council decision of 1 August 2004;

15. *Recalls* the commitment of the members of the World Trade Organization, in line with the Doha mandates, to progress in the areas of rules, trade and environment, and trade-related aspects of intellectual property rights, as stated in the World Trade Organization General Council decision of 1 August 2004;

16. *Stresses* the importance of an open, transparent, inclusive and democratic process and of procedures for the effective functioning of the multilateral trading system that allow for internal transparency and the effective participation of members, including in the decision-making process, and that enable them to have their vital interests duly reflected in the outcome of trade negotiations;

17. *Also stresses* the importance of facilitating the accession of all developing countries, in particular the least developed countries, as well as countries with economies in transition, that apply for membership in the World Trade Organization, consistent with its criteria, bearing in mind paragraph 21 of resolution 55/182 and subsequent developments, and calls for the effective and faithful application of the World Trade Organization guidelines on accession of the least developed countries;

18. *Invites* members of the international community to consider the interests of non-members of the World Trade Organization in the context of trade liberalization;

19. *Emphasizes* that bilateral and regional trade arrangements should complement the goals of the multilateral trading system, and in this context stresses the importance of clarifying and improving disciplines and procedures under the existing provisions of the World Trade Organization applying to regional trade agreements in accordance with paragraph 29 of the Doha Ministerial Declaration,

taking into account the developmental aspects of regional trade agreements, and urges the United Nations Conference on Trade and Development, in accordance with its mandate, to provide technical inputs in this respect;

20. *Notes with appreciation* the autonomous steps taken by some countries in providing trade-related assistance and by simplifying administrative procedures to facilitate access to their markets for exports from developing countries;

21. *Reaffirms* the commitments made at the Fourth Ministerial Conference of the World Trade Organization, and at the Third United Nations Conference on the Least Developed Countries, held in Brussels from 14 to 20 May 2001,[18] in this regard calls upon developed countries that have not already done so to work towards the objective of duty-free, quota-free market access for all least developed country exports, and notes that the consideration of proposals for developing countries to contribute to improved market access for the least developed countries would also be helpful;

22. *Welcomes* the commitment to actively pursue the work programme of the World Trade Organization with respect to addressing the trade-related issues and concerns affecting the fuller integration of countries with small, vulnerable economies into the multilateral trading system in a manner commensurate with their special circumstances and in support of their efforts towards sustainable development, in accordance with paragraph 35 of the Doha Ministerial Declaration;

23. *Recognizes* the special problems and needs of the landlocked developing countries within a new global framework for transit transport cooperation for landlocked and transit developing countries, in this regard calls for the full and effective implementation of the Almaty Programme of Action,[8] and stresses the need for the implementation of the São Paulo Consensus,[13] adopted on 18 June 2004 at the eleventh session of the United Nations Conference on Trade and Development in São Paulo, Brazil, in particular paragraphs 66 and 84 thereof, by the relevant international organizations and donors in a multi-stakeholder approach;

24. *Recognizes also* the importance of addressing seriously the concerns of commodity-dependent developing countries, owing to the continuing volatility of world commodity prices and other factors, and of supporting the efforts of such countries to restructure, diversify and strengthen the competitiveness of their commodity sectors, and in this regard notes the formation of an international task force on commodities by the United Nations Conference on Trade and Development;

25. *Emphasizes* the importance of addressing the concerns of a number of developing countries in respect of the erosion of preferences and the impact of liberalization on their tariff revenues;

26. *Stresses* the importance of enhancing South-South trade and cooperation in the context of an emerging new trade geography that complements North-South trade and cooperation, and takes note of the decision, adopted in June 2004, to launch the third round of negotiations on the Global System of Trade Preferences among Developing Countries;

27. *Recognizes* that it is important for developing countries and countries with economies in transition to consider reducing trade barriers among themselves;

[18] See A/CONF.191/13.

28. *Expresses its concern* about the adoption of a number of unilateral actions that are not consistent with the rules of the World Trade Organization, harm the exports of all countries, in particular those of developing countries, and have a considerable bearing on the ongoing World Trade Organization negotiations and on the achievement and further enhancement of the development dimension of the trade negotiations;

29. *Emphasizes* the importance of developing human, institutional, regulatory and research and development capacities and infrastructures aimed at enhanced supply-side capacity and competitiveness, as well as ensuring a conducive international environment for the full and effective integration of developing countries and countries with economies in transition into the international trading system;

30. *Stresses* the importance of strengthening and enabling the trade, investment and business environments through the adoption of appropriate domestic measures and conditions to encourage local, regional and international investment and efforts to prevent and dismantle anti-competitive practices and promote responsibility and accountability of corporate actors at both the international and the national levels, thereby enabling developing countries' producers, enterprises and consumers to take advantage of trade liberalization, and encourages developing countries to consider establishing competition laws and frameworks best suited to their development needs, complemented by technical and financial assistance for capacity-building, taking fully into account national policy objectives and capacity constraints;

31. *Notes* that the outcome documents of the eleventh session of the United Nations Conference on Trade and Development emphasized the importance for all countries of enhancing coherence between national development strategies and global economic processes towards economic growth and development, in particular of developing countries, and, in that context, reinforced the consensus that trade is a means to growth and development and that the international trading system and trade negotiations should facilitate development gains;

32. *Also notes* the important and unique mandate of the United Nations Conference on Trade and Development, which was reaffirmed at its eleventh session, and supports the continued work of the United Nations Conference on Trade and Development in support of the effective and beneficial integration of developing countries and countries with economies in transition into the global economy in cooperation with relevant international organizations;

33. *Invites* the United Nations Conference on Trade and Development, in accordance with its mandate, to monitor and assess the evolution of the international trading system and of trends in international trade from a development perspective, and in particular to analyse issues of concern to developing countries and countries with economies in transition, supporting them in the formulation, implementation and review of national trade and trade-related policies and options with a view to maximizing their share of world trade;

34. *Reiterates* the importance of supporting the programmes and technical cooperation and capacity-building activities of the United Nations Conference on Trade and Development that assist developing countries, especially the least developed countries and countries with economies in transition, in international trade and trade negotiations, in particular in support of their participation in the Doha work programme, including the Integrated Framework for Trade-related

Technical Assistance to Least Developed Countries and the Joint Integrated Technical Assistance Programme;

35. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its sixtieth session on the implementation of the present resolution and on developments in the multilateral trading system under the sub-item entitled "International trade and development".

75th plenary meeting
22 December 2004

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Fifty-ninth session
Agenda item 83 (*b*)

Resolution adopted by the General Assembly

[*on the report of the Second Committee (A/59/481/Add.2)*]

59/222. International financial system and development

The General Assembly,

Recalling its resolutions 55/186 of 20 December 2000 and 56/181 of 21 December 2001, both entitled "Towards a strengthened and stable international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity", as well as its resolutions 57/241 of 20 December 2002 and 58/202 of 23 December 2003,

Recalling also the United Nations Millennium Declaration[1] and its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development,[2] and the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[3]

Emphasizing that the international financial system should further sustain economic growth and support sustainable development and poverty eradication, while allowing for the coherent mobilization of all sources of financing for development, including the mobilization of domestic resources, international investment flows, official development assistance and external debt relief, and an open, equitable, rule-based, predictable and non-discriminatory global trading system,

Reiterating that success in meeting the objectives of development and poverty eradication depends on good governance within each country and at the international level, and stressing that sound economic policies, solid democratic institutions responsive to the needs of the people and improved infrastructure are the basis for sustained economic growth, poverty eradication and employment creation,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18–22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August–4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

Recognizing that an enabling economic environment should, inter alia, foster a dynamic and well-functioning business sector and include efforts to further promote good corporate and public sector governance, to combat corruption in the private and public sectors, and to promote the strengthening of and respect for the rule of law,

Encouraging further progress on the issue of participation of developing countries in international economic decision-making and norm-setting processes, including those in the Bretton Woods institutions and other economic and financial institutions and ad hoc groupings, while welcoming the steps that have been taken with a view to strengthening the capacity of developing countries to participate effectively in the international financial institutions,

Recognizing the urgent need to enhance the coherence, governance and consistency of the international monetary, financial and trading systems, and the importance of ensuring their openness, fairness and inclusiveness in order to complement national development efforts to ensure sustained economic growth and the achievement of the internationally agreed development goals, including those contained in the United Nations Millennium Declaration,

Emphasizing the need for additional stable and predictable financing to help developing countries undertake investment plans to achieve internationally agreed development goals,

Welcoming the initiative launched by the Presidents of Brazil, Chile and France and the Prime Minister of Spain, with the support of the Secretary-General, to convene in New York on 20 September 2004 the Summit of World Leaders for Action against Hunger and Poverty,

Taking note of the note by the Secretary-General on innovative sources of financing for development,[4]

Reiterating the need to strengthen the leadership role of the United Nations in promoting development,

1. *Takes note* of the report of the Secretary-General;[5]

2. *Notes* that the global economy is recovering, supported by growth in some developing countries, and that economic growth should be further strengthened and sustained, and stresses the importance of cooperative efforts by all countries and institutions to cope with the risks of financial instability and to ensure a strong and steady recovery, as a means of achieving greater financial stability, and in this regard acknowledges recent efforts at regional monetary cooperation;

3. *Also notes* the continued net outward transfer of financial resources from developing to developed countries, acknowledging the outward investment from some developing countries as an indication of their integration into the world economy, underscores the need for appropriate measures at the national and international levels to address this issue, and further notes the efforts that have been made thus far to this end and the fact that, for some developing countries, those transfers, at the present time, indicate positive developments in the trade balance, which are required, inter alia, for debt repayment and allow for the purchase of foreign assets;

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[4] A/59/272.

[5] A/59/218 and Corr.1.

4. *Underlines* the importance of promoting international financial stability and sustainable growth, and welcomes the efforts undertaken to this end by the International Monetary Fund and the Financial Stability Forum, as well as the consideration by the International Monetary and Financial Committee of ways to sharpen tools designed to promote international financial stability and enhance crisis prevention, inter alia, through an even-handed implementation of surveillance, including at the regional level, and a sharpening of surveillance of capital markets and systemically and regionally important countries, with a view, inter alia, to the early identification of problems and risks, integrating debt sustainability analysis, the fostering of appropriate policy responses, the possible provision of financing and other instruments designed to prevent the emergence or spread of financial crises, and further improvements in the transparency of macroeconomic data and statistical information on international capital flows;

5. *Also underlines* the importance of efforts at the national level to increase resilience to financial risk, stresses in this regard the importance of better assessment of a country's debt burden and its ability to service that debt in both crisis prevention and resolution, and welcomes the ongoing work of the International Monetary Fund on assessing debt sustainability;

6. *Reiterates* in this regard that measures to mitigate the impact of excessive volatility of short-term capital flows and to improve transparency of and information about financial flows are important and must be considered;

7. *Notes* the impact of financial crisis or risk of contagion in developing countries and countries with economies in transition, regardless of their size, and in this regard welcomes the efforts of the international financial institutions, in their support to countries, to continuously adapt their array of financial facilities and resources, drawing on a full range of policies, taking into account the effects of economic cycles, as and where appropriate, having due regard to sound fiscal management and the specific circumstances of each case, so as to prevent and respond to such crises in a timely and appropriate way;

8. *Stresses* the importance of strong domestic institutions in promoting business activities and financial stability for the achievement of growth and development, inter alia, through sound macroeconomic policies and policies aimed at strengthening the regulatory systems of the corporate, financial and banking sectors, and also stresses that international cooperation initiatives in those areas should encourage flows of capital to developing countries;

9. *Notes* that building an environment that encourages development of the domestic business sector requires that countries undertake appropriate policies to minimize the risk of and respond to external shocks and their impact, inter alia, on growth and employment, and encourages the International Monetary Fund and the World Bank to take into account the specific conditions of developing countries in determining their guidance to them in this area;

10. *Stresses* the importance of advancing in respect of the efforts to reform the international financial architecture, as envisaged in the Monterrey Consensus of the International Conference on Financing for Development,[2] and in this regard encourages the International Monetary Fund and the World Bank to continue examining the issues of the voice and effective participation of developing countries and countries with economies in transition in their decision-making processes;

11. *Welcomes* the ongoing work of the International Monetary Fund on quotas, and notes the conclusion of the Fund's Twelfth General Review of Quotas,

the report on which indicated the adequacy of the current level of Fund resources and the intention of the Executive Board, during the period of the Thirteenth General Review, to monitor closely and assess the adequacy of Fund resources, to consider measures to achieve a distribution of quotas that reflects developments in the world economy and to consider measures to strengthen the governance of the Fund;

12. *Notes* the ongoing analysis by the World Bank and the International Monetary Fund, as mentioned in the communiqué of the Development Committee of 2 October 2004,[6] of proposals on financing modalities to complement increased aid flows and commitments with innovative mechanisms, and their technical feasibility;

13. *Looks forward* to further consideration of the subject of possible innovative and additional sources of financing for development from all sources, public and private, domestic and external, taking into account international efforts, contributions and discussions, within the overall framework of the follow-up to the International Conference on Financing for Development;

14. *Reaffirms* the need to adopt policies and undertake measures to reduce the cost of the transfer of migrant remittances to developing countries, and welcomes the efforts of Governments and stakeholders in this regard;

15. *Emphasizes* that it is essential to ensure the effective and equitable participation of developing countries in the formulation of financial standards and codes, underscores the need to ensure their implementation, on a voluntary and progressive basis, as a contribution to reducing vulnerability to financial crisis and contagion, and notes that more than one hundred countries participated or agreed to participate in a joint World Bank-International Monetary Fund financial sector assessment programme;[7]

16. *Invites* the multilateral and regional development banks and development funds to continue to play a vital role in serving the development needs of developing countries and countries with economies in transition, including through coordinated action, as appropriate, and stresses that strengthened regional development banks and subregional financial institutions add flexible financial support to national and regional development efforts, thus enhancing their ownership and overall efficiency, and are an essential source of knowledge and expertise for their developing-country members;

17. *Calls for* the continued effort of the multilateral financial institutions, in providing policy advice, technical assistance and financial support to member countries, to work on the basis of nationally owned reform and development strategies, to pay due regard to the special needs and implementing capacities of developing countries and countries with economies in transition, and to minimize the negative impacts of the adjustment programmes on the vulnerable segments of society, while taking into account the importance of gender-sensitive employment and poverty eradication policies and strategies;

18. *Stresses* the need to continuously improve standards of corporate and public sector governance, including accounting, auditing and measures to ensure transparency, noting the disruptive effects of inadequate policies;

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[6] See *IMF Survey*, vol. 33, No. 18 (11 October 2004). Also available from www.imf.org/imfsurvey.

[7] See A/59/218 and Corr.1, para. 15.

19. *Acknowledges* the ongoing work towards a more comprehensive approach to sovereign debt restructurings, supports the increasing inclusion of collective action clauses in international bond issuing, and strongly encourages leading bond issuing countries and the private sector to make substantial progress on the preparation of an effective code of conduct, bearing in mind the need not to preclude emergency financing in times of crisis, to promote fair burden-sharing and minimize moral hazard, which will engage debtors and creditors to come together to restructure unsustainable debts in a timely and efficient manner;

20. *Welcomes* the ongoing efforts, including those of the Bretton Woods institutions, to improve the assessment of debt sustainability in low- and middle-income countries through, inter alia, the development of better tools to deal with exogenous shocks and the need to take country-specific factors into account;

21. *Requests* the Secretary-General to report to the General Assembly at its sixtieth session on the implementation of the present resolution;

22. *Decides* to include in the provisional agenda of its sixtieth session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "International financial system and development".

75th plenary meeting
22 December 2004